

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 6, 1994

Mr. Thomas R. McCaleb
President
Koch Gathering Systems
P.O. Box 2256
Wichita, Kansas 67201

CPF No. 34527-M

Dear Mr. McCaleb:

On November 9-12, 1993, a representative of the Central Region, Office of Pipeline Safety, pursuant to Section 211(c) of the Hazardous Liquid Pipeline Safety Act (HLPESA) (49 USC App. 2001 et. seq.), conducted an onsite inspection of your pipeline facilities, anti-drug plan, manuals and associated records at Chase Pipe Line Company (CPLC) in Eldorado, Kansas.

As a result of the inspection, it appears that you have committed probable violations, as noted below, of pipeline safety regulations, Title 49, Code of Federal Regulations, Part 195. The items inspected and the probable violations are:

§ 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective.

A review of CPLC's Operation and Maintenance Manual disclosed the following deficiencies:

- 1) § 195.202 Compliance with specifications or standards.**

Each pipeline system must be constructed in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part.

§ 195.204 Inspection - General.

Inspection must be provided to ensure the installation of pipe or pipeline systems in accordance with the requirements of this subpart. No person may be used to perform inspections unless that person has been trained and is qualified in the phase of construction he is to inspect.

CPLC's written Operations and Maintenance Procedures when related to maintenance activities, require amendment to cover inspection during construction. Procedures pertaining to workmanship, visual inspection, and repair of defects (dents, gouge, etc.), were not included in the plan.

Procedures must also include references to inspector training and qualifications.

2) § 195.226 Welding: Arc burns.

(a) Each Arc burn must be repaired.

(b) An arc burn may be repaired by completely removing the notch by grinding, if the grinding does not reduce the remaining wall thickness to less than the minimum thickness required by the tolerances in the specification to which the pipe is manufactured. If a notch is not repairable by grinding, a cylinder of the pipe containing the entire notch must be removed.

CPLC's welding procedures require amendment to include procedures for grinding out arc burns or replacement of pipe where arc burn damage cannot be ground out. The procedures must also include provisions for chemical testing to insure all arc burn damage has been ground out of the pipe and that grindout has not exceeded pipe wall thickness tolerances.

3) § 195.402(c) Maintenance and normal operations.

(13) Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.

CPLC's Operations and Maintenance Manual does not have written procedures for reviewing post response of operating personnel effectiveness of procedures and the corrective actions taken where deficiencies are found.

4) § 195.402 Safety-related condition reports.

§ 195.402(f) requires that your written operations and maintenance procedures include instructions for recognizing and reporting conditions that may be safety-related conditions that are subject to the reporting requirements of § 195.55. § 195.55 references the report filing requirements of § 195.56(a), in that each safety related condition report must be filed in writing within 5 working days (not including Saturdays, Sundays, or Federal holidays) after the day a representative of the operator first determines that the condition exists, but not later than 10 working days after the day a representative of the operator discovers the condition.

At the time of the inspection, CPLC's operation and maintenance manual did not have procedures for reporting safety-related conditions.

5) § 195.402 Abnormal operation.

(d) The manual required by paragraph (a) of this section must include procedures to provide safety when operating design limits have been exceeded.....

At the time of the inspection, CPLC's operation and maintenance manual did not sufficiently address abnormal operations as required in paragraphs 1 through 9 of this section.

6) § 195.414 Cathodic protection.

(a) No operator may operate a hazardous liquid interstate pipeline after March 31, 1973, or a hazardous liquid intrastate pipeline after October 19, 1988, or a carbon

dioxide pipeline after July 12, 1993 that has an effective external surface coating material, unless that pipeline is cathodically protected.

CPLC's Procedure Manual does not include corrosion control procedures which consider IR drop when referring to the negative 850 mV cathodic protection criteria and the negative voltage shift of 300 mV cathodic protection criteria.

The corrosion control procedures were not adequate in that they do not contain provisions for evaluating and correcting casings that appear to be electrically shorted. NACE Standard RP0169-92 addresses the importance of electrically isolating the casing and carrier pipe. Where casings are shorted to the carrier pipe, a condition detrimental to cathodic protection of the carrier pipe exists and must be corrected. Guidelines that OPS considers adequate for mitigating the adverse effects of corrosion of the carrier pipe inside a casing are available to operators on request. An alternate means may be developed if it can be demonstrated to produce equivalent results.

7) § 195.420 Valve maintenance.

§ 195.420(a) requires that each operator shall maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times.

CPLC's procedures must contain specific instructions for valve inspections. As a minimum, these instructions must relate to inspection of components and functions of a valve, repairs required, repair actions taken or to be taken, and logging of a written record of the inspection and/or repair.

In regard to Items 1 through 7, we are issuing a Notice of Amendment to address the inadequate procedures identified. When it is found that an operator's procedures are inadequate, Title 49 CFR, § 190.237 provides that the operator, after notice and opportunity for hearing, may be required to amend its plans and procedures. This letter serves to provide you with notice of the inadequate procedures and the response options as prescribed under § 190.237, Title 49 CFR. The operator is allowed thirty (30) days after receipt of such notice to submit written comments or request an informal hearing. After considering the material presented, the Office

of Pipeline Safety is required to notify the operator of the required amendment or withdraw the notice proposing the amendment.

On July 22, 1994, the Central Region, Office of Pipeline Safety, received information and documentation from CPLC which corrected the deficiencies listed in Items 2,4,5,6, and 7 of this Notice Letter. To fulfil all requirements of this Notice Letter, it will be necessary for CPLC to provide responses to Items 1 and 3. It is requested that this information be submitted to the Director, Central Region, Office of Pipeline Safety, within 30 days after receipt of this letter.

Sincerely,

Ivan A. Huntoon
Director, Central Region
Office of Pipeline Safety

Attachment